

TAXES SHOULD BE REDUCED BUT THE BUDGET CAN AND SHOULD BE BALANCED FIRST

WASHINGTON, D. C.

Representative Edward H. Rees, (R., Kans.), top Republican on the House Post Office and Civil Service Committee, today declared that a balanced budget is well within reach and disclosed plans to cut unnecessary government payroll costs which he said would be a major contributing factor.

"Taxes should be reduced, but the first step is a balanced national budget," Mr. Rees stated, "and every effort must be bent to balance the budget. Recent Administration statements indicate that a balanced budget -- only the fourth in 24 years -- is within striking distance, and that if government agencies and departments would prune their outlays as much as 3 per cent by next June 30th the budget would be in balance. The Bureau of the Budget earlier estimated 1956 fiscal year revenues at \$62.1 billion, against anticipated expenditures of \$63.8 billion. Prosperity has improved the prospects of additional revenue, but further economies are essential. We must strike while the iron is hot."

"Our Committee," Mr. Rees noted, "has pointed the way to some of the most important fields for economy. It has been assigned, in its jurisdiction, to conduct a thorough study of civilian manpower utilization in the Government which is directed at prompt elimination of non-essential payroll costs. With over 2.3 million civilian employees and a payroll approaching \$10 billion, a 10 per cent reduction, still leaving over 2 million employees to perform really necessary tasks, would bring us very close to a balanced budget."

"The Committee program," said Mr. Rees, "embraces a survey of the functions of every department and certain agencies, to clearly define the legislative authority for each function and determine the actual manpower requirement for its performance."

"This will involve a critical self-analysis of functions, organizations, personnel allocations and internal relationships to be made under direct

supervision of the department or agency head by a special unit of qualified employees selected by him and working in cooperation with the Committee and its staff."

According to Congressman Rees, one prolific source of manpower waste is the bureaucratic tendency to delegate and redelegate responsibility and thereby create a costly pyramid of high-priced personnel.

"Through the mere guise of delegation of authority," he said, "it is possible for an official or employee to pass his own responsibility on to someone else. If we can eliminate several layers of this delegation and pay for only what duties actually are performed we will have gone a long way toward our goal."

"In brief," Mr. Rees explained, "once the ill is diagnosed, the remedy can be applied. The Committee will direct the efforts of the departments and agencies to find their manpower weaknesses and see to it that they are corrected."

"Economies of over 900 million dollars were reported by the Defense Department as a result of a similar Committee study in the 83d Congress, when I was Chairman," Mr. Rees observed. "The administrative actions taken in the 83d Congress and the present legislative review are further indication of the validity of our earlier proposals and of a continuing review and reappraisal of the necessity of all expenditures."

"Government employment can and should be reduced at least 10 per cent" Mr. Rees asserted, "without any impairment of essential Government services. In fact, greater efficiency should result. While this may seem a large number of employees it could be accomplished largely by attrition, that is, by simply not filling vacancies. Every department and agency head should establish a firm policy of reviewing each vacancy and making certain the function is necessary before the position is filled. In my judgment this would be an effective guarantee of economy and efficiency in Government."